



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
STATIONARY SOURCE AND CLIMATE IMPACTS COMMITTEE

COMMITTEE MEMBERS

JOHN BAUTERS – CO-CHAIR
TERESA BARRETT – VICE CHAIR
JOHN GIOIA
ERIN HANNIGAN
DAVINA HURT
MARK ROSS

KAREN MITCHOFF – CO-CHAIR
RICH CONSTANTINE
CAROLE GROOM
DAVID HAUBERT
TYRONE JUE

**THIS MEETING WILL BE CONDUCTED UNDER PROCEDURES AUTHORIZED BY
EXECUTIVE ORDER N-29-20 ISSUED BY
GOVERNOR GAVIN NEWSOM**

- **THE PUBLIC MAY OBSERVE THIS MEETING THROUGH THE WEBCAST BY
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YOUR APPLICATION IS UP TO DATE**

**MONDAY
MAY 17, 2021
9:00 A.M.**

AGENDA

1. CALL TO ORDER - ROLL CALL

PLEDGE OF ALLEGIANCE

PUBLIC MEETING PROCEDURE

The Committee Co-Chair shall call the meeting to order, and the Clerk of the Boards shall take roll of the Committee members.

This meeting will be webcast. To see the webcast, please visit www.baaqmd.gov/bodagendas at the time of the meeting. Closed captioning may contain errors and omissions and are not certified for their content or form.

***Public Comment on Agenda Items** The public may comment on each item on the agenda as the item is taken up. Members of the public who wish to speak on matters on the agenda for the meeting, will have three minutes each to address the Committee. No speaker who has already spoken on that item will be entitled to speak to that item again.*

Staff/Phone (415) 749-

CONSENT CALENDAR (ITEM 2)

2. APPROVAL OF THE MINUTES OF APRIL 19, 2021

Clerk of the Boards/5073

The Committee will consider approving the draft minutes of the Stationary Source and Climate Impacts Committee meeting of April 19, 2021.

END OF CONSENT CALENDAR

REGULAR AGENDA (ITEMS 3-4)

3. UPDATE ON LAND USE, CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA), AND AIR DISTRICT PERMITS

H. Hilken/4642

hhilken@baaqmd.gov

The Committee will receive an update on the Air District's permit program and how it is influence by local land use and CEQA processes.

4. **PROPOSED CONCEPTS TO AMEND THE PERMITTING REGULATION**

J. Finkle/8435
jfinkle@baaqmd.gov

The Committee will receive an update on staff's proposed concepts to amend the Air District's Permitting Regulation.

END OF REGULAR AGENDA

5. **PUBLIC COMMENT ON NON-AGENDA MATTERS**

Members of the public who wish to speak on matters not on the agenda for the meeting, will have three minutes each to address the Committee.

6. **COMMITTEE MEMBER COMMENTS**

Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may: ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2)

7. **TIME AND PLACE OF NEXT MEETING**

Monday, June 21, 2021 at 9:00 a.m., via webcast pursuant to procedures authorized by Executive Order N-29-20 issued by Governor Gavin Newsom.

8. **ADJOURNMENT**

The Committee meeting shall be adjourned by the Committee Co-Chair.

CONTACT:

MANAGER, EXECUTIVE OPERATIONS
375 BEALE STREET, SAN FRANCISCO, CA 94105
vjohnson@baaqmd.gov

(415) 749-4941
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov

- Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the Air District's offices at 375 Beale Street, Suite 600, San Francisco, CA 94105, at the time such writing is made available to all, or a majority of all, members of that body.

Accessibility and Non-Discrimination Policy

The Bay Area Air Quality Management District (Air District) does not discriminate on the basis of race, national origin, ethnic group identification, ancestry, religion, age, sex, sexual orientation, gender identity, gender expression, color, genetic information, medical condition, or mental or physical disability, or any other attribute or belief protected by law.

It is the Air District's policy to provide fair and equal access to the benefits of a program or activity administered by Air District. The Air District will not tolerate discrimination against any person(s) seeking to participate in, or receive the benefits of, any program or activity offered or conducted by the Air District. Members of the public who believe they or others were unlawfully denied full and equal access to an Air District program or activity may file a discrimination complaint under this policy. This non-discrimination policy also applies to other people or entities affiliated with Air District, including contractors or grantees that the Air District utilizes to provide benefits and services to members of the public.

Auxiliary aids and services including, for example, qualified interpreters and/or listening devices, to individuals who are deaf or hard of hearing, and to other individuals as necessary to ensure effective communication or an equal opportunity to participate fully in the benefits, activities, programs and services will be provided by the Air District in a timely manner and in such a way as to protect the privacy and independence of the individual. Please contact the Non-Discrimination Coordinator identified below at least three days in advance of a meeting so that arrangements can be made accordingly.

If you believe discrimination has occurred with respect to an Air District program or activity, you may contact the Non-Discrimination Coordinator identified below or visit our website at www.baaqmd.gov/accessibility to learn how and where to file a complaint of discrimination.

Questions regarding this Policy should be directed to the Air District's Non-Discrimination Coordinator, Terri Levels, at (415) 749-4667 or by email at tlevels@baaqmd.gov.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

375 BEALE STREET, SAN FRANCISCO, CA 94105

FOR QUESTIONS PLEASE CALL (415) 749-4941

EXECUTIVE OFFICE:

MONTHLY CALENDAR OF AIR DISTRICT MEETINGS

MAY 2021

| <u>TYPE OF MEETING</u> | <u>DAY</u> | <u>DATE</u> | <u>TIME</u> | <u>ROOM</u> |
|--|------------|-------------|-------------|--|
| Board of Directors Stationary Source and Climate Impacts Committee | Monday | 17 | 9:00 a.m. | Webcast only pursuant to Executive Order N-29-20 |
| Board of Directors Administration Committee | Wednesday | 19 | 9:30 a.m. | Webcast only pursuant to Executive Order N-29-20 |
| Board of Directors Legislative Committee | Wednesday | 19 | 1:00 p.m. | Webcast only pursuant to Executive Order N-29-20 |
| Board of Directors Mobile Source and Climate Impacts Committee | Thursday | 27 | 9:30 a.m. | Webcast only pursuant to Executive Order N-29-20 |
| Board of Directors Technology Implementation Office (TIO) Steering Committee | Friday | 28 | 1:00 p.m. | Webcast only pursuant to Executive Order N-29-20 |

JUNE 2021

| <u>TYPE OF MEETING</u> | <u>DAY</u> | <u>DATE</u> | <u>TIME</u> | <u>ROOM</u> |
|--|------------|-------------|-------------|--|
| Board of Directors Meeting | Wednesday | 2 | 9:30 a.m. | Webcast only pursuant to Executive Order N-29-20 |
| Board of Directors Community Equity, Health and Justice Committee | Thursday | 3 | 9:30 a.m. | Webcast only pursuant to Executive Order N-29-20 |
| Board of Directors Meeting | Wednesday | 16 | 9:30 a.m. | Webcast only pursuant to Executive Order N-29-20 |
| Board of Directors Legislative Committee | Wednesday | 16 | 1:00 p.m. | Webcast only pursuant to Executive Order N-29-20 |
| Board of Directors Stationary Source and Climate Impacts Committee | Monday | 21 | 9:00 a.m. | Webcast only pursuant to Executive Order N-29-20 |
| Board of Directors Mobile Source and Climate Impacts Committee | Thursday | 24 | 9:30 a.m. | Webcast only pursuant to Executive Order N-29-20 |

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons John Bauters and Karen Mitchoff, and Members
of the Stationary Source and Climate Impacts Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 12, 2021

Re: Approval of the Minutes of April 19, 2021

RECOMMENDED ACTION

Approve the attached draft minutes of the Stationary Source and Climate Impacts Committee (Committee) meeting of April 19, 2021.

DISCUSSION

Attached for your review and approval are the draft minutes of the Stationary Source and Climate Impacts Committee meeting of April 19, 2021.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Vanessa Johnson

Attachment 2A: Draft Minutes of the Stationary Source and Climate Impacts Committee Meeting of April 19, 2021

AGENDA: 2A – ATTACHMENT

Draft Minutes – Stationary Source and Climate Impacts Committee Meeting of April 19, 2021

Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, California 94105
(415) 749-5073

DRAFT MINUTES

Summary of Board of Directors
Stationary Source and Climate Impacts Committee Meeting
Monday, April 19, 2021

This meeting was conducted under procedures authorized by executive order N-29-20 issued by Governor Gavin Newsom. Members of the Committee participated by teleconference.

1. CALL TO ORDER – ROLL CALL

Stationary Source and Climate Impacts Committee (Committee) Co-Chairperson Karen Mitchoff called the meeting to order at 9:00 a.m.

Present: Committee Co-Chairpersons John Bauters and Karen Mitchoff; Vice Chairperson Teresa Barrett; and Directors Rich Constantine, John Gioia, Carole Groom, Erin Hannigan, David Haubert, Davina Hurt, Tyrone Jue, and Mark Ross.

Absent: None.

Also Present: None.

2. APPROVAL OF THE MINUTES OF MARCH 15, 2021

Public Comments

No requests received.

Committee Comments

None.

Committee Action

Director Groom made a motion, seconded by Director Gioia, to approve the Minutes of March 15, 2021; and the motion carried by the following vote of the Committee:

- AYES: Barrett, Bauters, Constantine, Gioia, Groom, Hannigan, Haubert, Hurt, Jue, Mitchoff, Ross.
- NOES: None.
- ABSTAIN: None.
- ABSENT: None.

3. COSTS AND FINANCING OPTIONS FOR BUILDING DECARBONIZATION IN THE BAY AREA

Greg Nudd, Deputy Air Pollution Control Officer of Policy, introduced Abby Young, Climate Protection Program Manager, who introduced two guest presentations regarding the topic of economic challenges to building decarbonization of existing buildings in the Bay Area.

Jeanne Clinton, former Energy Efficiency and Clean Energy Advisor to the California Public Utilities Commission and to two gubernatorial administrations, gave the presentation *Costs, Markets, and Funding Options in Accelerating the Bay Area’s Building Electrification*, including: incremental costs to replace a gas furnace and water heater with an electric heat pump in a Bay Area single-family home; Bay Area cost to upgrade single-family space and water heating; emerging technologies may reduce costs and avoid need to upgrade electric panels; house characteristics and demographics and Bay Area residents - income and equity consideration; equity and health considerations; electrification income and cost burden considerations; closing the gap – a “value stack” of incentives, co-funding, and financing essential; ability of residents to self-finance the costs of low-oxides of nitrogen (NO_x) replacement equipment; possibilities to expand numbers of households financing low-NO_x appliances; existing co-funding helps cover most or all the incremental cost, especially for homes with air conditioning and for many low-income households; prospective co-funding and financing possibilities; and local government and market support can help.

Colin Bishopp, Executive Director of Property Assessed Clean Energy (PACE) Nation, presented on innovative financing approaches as potential solutions to these challenges. His slides included: total funding needed in Bay Area counties; funding sources and funding availability by income level; Sonoma County Energy Independence Program; Septic Rehabilitation Loan Program; costs of decommissioning natural gas infrastructure; and takeaways.

Public Comments

Public comments were given by Neha Bazaj; Leah Louis Prescott, Rocky Mountain Institute (RMI); Ann Harvey, Climate Health Now; Gary Latshaw; Ken strong, Marin Conservation League; Beckie Menten, East Bay Community Energy (EBCE); Jennifer West, StopWaste; Erika Reinhardt, San Francisco resident; Tom Kabat, Menlo Park resident; Shruti Gopinathan, Sunnyvale resident; Kevin Ma, Next Generation; Frengiz Surty, Cleantech Open; and Suzanne Emerson.

Committee Comments

The Committee and staff discussed the suggestion that the Air District establish itself as a regional leader in building decarbonization as California is on the verge major electrification technology advancements that make this feasible; economic and health inequalities in the current fossil fuel based system; the need to educate contractors on transitioning from fossil-based devices to electric devices; and the suggestion that the Air District creates a technology clearing house for decarbonization options that is user-friendly for the public.

Committee Action

None; receive and file.

4. RULE DEVELOPMENT CONCEPTS FOR BUILDING APPLIANCE REGULATION

Jennifer Elwell, Senior Air Quality Engineer, gave the staff presentation *Rule Development Concepts for Building Appliance Regulation*, including: outcome; outline; requested action; background – rules for update and 2019 emissions; initial rule development concepts; potential emission reductions; potential challenges; tentative timeline; and feedback requested/prompt.

Public Comments

Public comments were given by Allison Skidd, Rheem Manufacturing; Regina Hsu, Earth Justice; Billi Romain, City of Berkeley; Beckie Menten, EBCE; Denise Grab, RMI; Simone Chung, University of California at Los Angeles; Jennifer West, StopWaste; Reilly Nelson; University of California at Los Angeles; Daniel Tahara, San Francisco Climate Emergency Coalition; Mary Dateo; Katherine Da Silva Jain, Marin Interfaith Climate Action; Chris Forth, Johnson Controls; Tom Kabat, Menlo Park resident; Melissa Yu, Sierra Club; Bret Anderson, Carbon Free Palo Alto; Ken Strong, Marin Conservation League; Laura Feinstein, SPUR; Erika Reinhardt, San Francisco resident; Nicole Kemeny, 350 Silicon Valley; Sven Thesen, Palo Alto resident; Diane Bailey, Menlo Spark; Bruce Naegel, Sustainable Silicon Valley; Jed Holtzman, 350 Bay Area; Robert Whitehair, Sustainable San Mateo; Brianna Duarte, Acterra; Debbie Mytels, Palo Alto resident; Julia Stein, University of California at Los Angeles; Gail Price; and Dr. Robert Gould, SF Bay Physicians for Social Responsibility.

Committee Comments

The Committee and staff discussed the importance of differentiating between the creation of an emissions standard to reduce NO_x versus CO₂ and comparing fossil fuel costs and emissions with electrification; whether to adopt a zero NO_x emissions standard and the proposed timeline for adopting such a standard; the suggestion that Air District staff pursues legislation to allocate funds that would help low-income households transition from fossil fuels to electrification, and whether the American Jobs Plan could provide funding for that; the need to hear the community's concerns about their financial burdens regarding energy transitions; the need to streamline city building permitting practices; and the request that while the Air District prepares for its public workshop for Regulation 9-4 (Nitrogen Oxides from Fan Type Residential Central Furnaces) and Regulation 9-6 (Nitrogen Oxides from Natural Gas-Fired Boilers and Water Heaters), that the Air District also

collaborates with the California Air Resources Board, regarding disproportionate health impacts and other inequities that residents of disadvantaged communities face, due to heightened exposure to unhealthy levels of indoor air quality.

Committee Action

None; receive and file.

5. SOURCE TEST 101

Mr. Nudd introduced Elaine Ko, Supervising Air Quality Engineer, who gave the staff presentation *Source Test 101*, including: outcome; requested action; meteorology and measurement; presentation outline; roles for source testing; source categories and number of tests; options for who conducts source testing; example method review – particulate matter methods; sampling; sample processing and analysis; public records requests for source test reports; how is source test data used; key projects; and research new technologies.

Public Comments

Public comments were given by Kevin Olson, Chevron; Jed Holtzman, 350 Bay Area; Todd Osterberg, Chevron; and Rhoda Fry, Cupertino resident.

Committee Comments

None.

Committee Action

None; receive and file.

6. PUBLIC COMMENT ON NON-AGENDA MATTERS

Public comments were given by Rhoda Fry, Cupertino resident.

7. COMMITTEE MEMBER COMMENTS

None.

8. TIME AND PLACE OF NEXT MEETING

Monday, May 17, 2021 at 9:00 a.m., via webcast pursuant to procedures authorized by Executive Order N-29-20 issued by Governor Gavin Newsom.

9. ADJOURNMENT

The meeting adjourned at 12:14 p.m.

Marcy Hiratzka
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons John Bauters and Karen Mitchoff, and Members
of the Stationary Source and Climate Impacts Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 12, 2021

Re: Update on Land Use, California Environmental Quality Act (CEQA), and Air District
Permits

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

Air District permits protect public health by assuring that stationary sources of air pollution comply with all applicable Air District regulations. However, local land use planning and permitting processes also greatly influence people's exposure to air pollution. City or county land use permits determine whether and where a polluting source may be located. Local land use permit sometimes does not adequately consider air pollution emissions and exposure. Project proponents seeking Air District permits for stationary sources often already have land use entitlements from the local jurisdiction. As such, the Air District's ability to influence local exposure to harmful air pollution, or to nuisances like odors and dust, is limited. Air District permits may impose conditions on project operations or require abatement equipment. However, even a source that meets all Air District regulatory requirements, if located too close to housing, schools, or other sensitive receptors, may expose people to pollution, odors, or dust. Recent examples include a private school approved by the City of Fremont immediately adjacent to a concrete batch plant and residential development located near waste management facilities in Milpitas/Fremont/San Jose. Each of these situations has resulted in considerable public concern and demands for the Air District to take action, while our options are limited due to the prior land use decision.

Air District land use goals, as articulated in the 2017 Clean Air Plan and other documents, are to support mixed use, infill development, located near transit, with sufficient housing for all income levels, that limit auto use and support transit, walking and cycling and thus limit emissions of air pollutants and greenhouse gases (GHGs). These goals align with goals of Metropolitan Transportation Commission (MTC)/Association of Bay Area Governments (ABAG's) Plan Bay Area. Further, the Air District cautions local staff and decisionmakers to avoid locating sensitive land uses – housing, schools, hospitals, senior facilities, etc. – near sources of pollution such as heavy industry, sources of odors and dust, freeways, ports, and railyards, etc.

The Air District advances these land use objectives through various means. As noted, the 2017 Clean Air Plan includes numerous measures addressing land use and transportation strategies to discourage auto use and minimize local exposure to pollution. Our first Community Emission Reduction Plan under Assembly Bill (AB) 617, the West Oakland Community Action Plan, emphasizes strategies to eliminate conflicts between industrial and goods movement-related land uses and local residential neighborhoods. The Air District also provides a variety of guidance documents and technical tools to support health-protective local development. These documents and tools include:

- CEQA Thresholds of Significance and Guidelines;
- Planning Healthy Places guidance document;
- Senate Bill (SB) 1000 guidance on environmental justice elements in local plans;
- Guidance on local climate action plans;
- Air quality and GHG technical tools and data; and
- Convenings, information exchange, best practices, etc.

The Air District's CEQA Thresholds and Guidelines are intended to assist cities, counties and other lead agencies in analyzing and mitigating air quality and climate impacts of local projects and plans. The Thresholds provide lead agencies recommended benchmarks for determining whether an air quality or climate impact rises to a level of significance, and the Guidelines provide recommended analytical methods, data, mitigation strategies, and more. They are widely used by Bay Area jurisdictions. The Air District has provided CEQA guidance for decades, and the Guidelines were last updated in 2010.

During CEQA review of projects involving stationary air pollution sources, the Air District encourages project proponents to contact the Air District to determine whether the project is protective of public health, meets all regulations (local, state, and federal laws), and requires an Air District permit, including New Source Review and Title V permits.

The Air District's New Source Review and Title V permitting programs apply to a broad range of facilities throughout the Bay Area. The New Source Review program is a pre-construction permitting requirement that requires permit applicants to demonstrate that new sources of air emissions, and modifications to existing sources that will increase emissions, will meet all applicable air pollution control requirements, including using state-of-the-art pollution control equipment and mitigating potential increases in public health risks. The Title V program is an operating permit requirement applicable to major emissions sources that consolidates all the various regulatory requirements applicable to a facility into a single, comprehensive permitting document to improve transparency, enforceability, and facility compliance. These programs are set forth in five Rules in Regulation 2 (Permits) – Rule 1 (General Requirements), Rule 2 (New Source Review), Rule 4 (Emissions Banking), Rule 5 (New Source Review of Toxic Air Contaminants, and Rule 6 (Major Facility Review).

DISCUSSION

Staff has initiated an update to the CEQA Thresholds and Guidelines. An urgent driver of this effort is the need to update the recommended GHG Thresholds to align with the latest State GHG reduction targets for 2030 and beyond. Our current GHG Thresholds are based on 2020 targets, and so must be updated promptly. We also seek to assure that the thresholds are appropriately health protective, with an emphasis on fine particulate (PM_{2.5}). The intent is to align our recommended PM thresholds with other priority agency efforts, including Permit Reform and the Advisory Council's PM deliberations. Because these latter efforts will take some time to reach fruition, we foresee a two-phase process in updating the CEQA Thresholds. In 2021 staff will complete updates to the GHG Thresholds and modify the current PM thresholds to be more health protective. As the Permit Reform and Advisory Council processes progress, we will revisit the CEQA thresholds to align them with these efforts.

Permit Reform and the Advisory Council's PM deliberations have also initiated review for potential revisions to the Air District New Source Review programs. In 2012, the Air District incorporated new federal requirements for fine particulate matter (PM_{2.5}) into the permitting regulations, but Advisory Council PM strategies can go further to identify measures to further protect public health. New Source Review for Toxics was revised in 2016 to incorporate updated Office of Environmental Health Hazard Assessment (OEHHA) guidelines for Health Risk Assessments (HRA) and updated California Air Resources Board (CARB) and California Air Pollution Control Officers Association (CAPCOA) risk management guidelines. These updated guidelines provided improved methods for calculating public health risk and accounted for children's heightened sensitivity to toxic air contaminants. The 2016 amendments increased stringency of the rule by 40% for cancer risk from most carcinogens as compared with the previous procedures. For carcinogens with multiple exposure pathways, the calculated cancer risk increased by 2 to 5 times. Permit Reform may decrease the risk thresholds and increase risk management stringency even further.

The Stationary Source and Climate Impacts Committee will receive a presentation on the current permitting program to serve as background for future Permitting Reform discussions.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Henry Hilken and Pamela Leong
Reviewed by: Damian Breen and Greg Nudd

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons John Bauters and Karen Mitchoff, and Members
of the Stationary Source and Climate Impacts Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 12, 2021

Re: Proposed Concepts to Amend the Permitting Regulation

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

In 2018, the Air District committed to evaluating changes to its permitting process in response to concerns from community advocates about permits issued in areas overburdened by air pollution and other environmental and public health stressors. Since that time, staff met internally and with community stakeholders who expressed concern over the agency's permitting process to develop potential concepts to amend the Air District's permitting regulation, Regulation 2: Permits.

Air District staff utilized air monitoring and modeling data developed for Assembly Bill 617 and Community Air Risk Evaluation (CARE) program evaluation to observe localized differences in air pollution and health risk in the Bay Area. Staff also reviewed data mapping tools developed by other public health agencies that demonstrate variability in environmental stressors and community health vulnerability at the local level. Staff then developed concepts to present to the public on potential ways to increase the health protectiveness of Regulation 2, paying particular attention to areas in which air quality and other factors contribute to increased exposure or vulnerability to air pollution. Staff presented the concepts to the public at a virtual workshop during the evening of May 12, 2021. The purpose of the workshop was to enable community members and industrial stakeholders to provide feedback on the potential concepts before staff proceeds to developing draft rule amendment language, which will occur prior to staff proposing amendments for the Board of Directors.

DISCUSSION

Staff presented the following concepts during the May 12, 2021, Virtual Public Workshop on Concepts to Amend Regulation 2: Permits:

1. Maximum Project Cancer Risk Limit: Make the allowable maximum project cancer risk limit more stringent in Regulation 2, Rule 5: New Source Review of Toxic Air

Contaminants (Rule 2-5) in communities that are overburdened by high levels of pollution or community health vulnerability.

- a. To identify priority communities, develop a new methodology or utilize an existing methodology or combination of methodologies that considers local disparities in air pollution, other environmental pollution, and community health.
2. Health Risk Assessment Guidelines: Update the health risk assessment guidelines that are used to screen applications for new or modified gasoline dispensing facilities subject to Rule 2-5. Revisions to the health risk assessment procedure will more accurately reflect the risk that projects at gasoline dispensing facilities pose to nearby residents and workers.
 3. Noticing and Analysis Requirements: Enhance noticing and analysis requirements for proposed projects in communities overburdened by high levels of pollution or health vulnerability to provide additional transparency in the permit review process. These amendments could be instituted through changes to Regulation 2, Rule 1: General Requirements, or individually through the New Source Review rules.
 - a. Enhanced noticing requirements would mean that permit applicants who would like to install or modify equipment in a community that is overburdened by high levels of pollution or health vulnerability would need to notify nearby residents within a defined radius from the proposed project site of the proposal and where to obtain documents for review.
 - b. Enhanced analysis would require applicants to describe potential environmental and public health impacts of the project for which they are submitting a permit application.
 4. Evaluate Exposure-Based Limits on Fine Particulate Matter Emissions: Staff would further evaluate changes to Regulation 2, Rule 2 (Rule 2-2): New Source Review, to potentially recommend a health-based limit on allowable fine particulate matter emissions based on exposure to nearby receptors or based on background air pollution or community health vulnerability.

During the presentation to the Stationary Source and Climate Impacts Committee, staff will review feedback received during the workshop.

Proposed rulemaking timeline: After the closing of the public comment deadline on May 28, 2021, staff will evaluate comments received and prepare for a second public workshop this summer. The summer workshop will feature draft amended rule language for concepts staff identifies as shorter-term rule development efforts, and additional details on concepts staff identifies as longer-term. Staff anticipates presenting on this topic again to this Committee in September 2021 in advance of bringing proposed regulatory amendments before the Board of Directors (Board) by the end of 2021. Concepts staff identifies as longer-term based on public feedback and will be proposed for Board consideration at a later date.

BUDGET CONSIDERATIONS/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jacob Finkle
Reviewed by: Victor Douglas and Elizabeth Yura